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May 28, 2019

**VIA EMAIL (david.stark@psc.sc.gov)**

David W. Stark, III, Esquire  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

RE: Stephen and Beverly Noller and Michael and Nancy Halwig v. Daufuskie Island  
Utility Company, Inc.

**Docket No.: 2018-364-WS**

NMRS File No. 054041/09000 and

NMRS File No. 055561/09000

Dear Mr. Stark:

In Mr. Gressette's letter filed earlier today several issues were raised to which Complainants must respond. DIUC incorrectly characterizes the demand for relief of Complainants as being beyond the statutorily prescribed jurisdiction of the Commission. Complainants point out that the jurisdiction of the Commission is based on its own regulations concerning the required submittal to the ORS and approval by the Commission of agreements such as that demanded by DIUC of Complainants to install water and sewer lines for the provision of these utility services. *(See filed pages 5 of 7 and 6 of 7 of Complainants' Brief Confirming Jurisdiction)* The Commission certainly has the authority to determine if its own regulations were violated, and the consequences that flow from a decision that the agreement was not approved are evident.

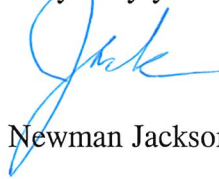
DIUC is correct that it has expended resources in trying to justify its actions after this appeal was filed. Likewise, the customer Complainants have also expended extremely significant resources in this matter. The point of the original letter to which DIUC responds included the fact that it was DIUC who stopped negotiating. DIUC states, again, that it cannot justify committing any additional funds to negotiation. Instead of trying to compromise in any way on the two remaining issues, DIUC determined that it would end negotiations. Suffice it to say that Petitioners would not characterize DIUC's concluding its negotiating from being "not able to meet the terms required by Complainants", but DIUC not being willing to engage in meaningful discussion regarding the issues at hand because it would not expend the resources to do so.

David W. Stark, III, Esquire  
Page 2

Finally, while Petitioners also desire not to spend additional funds, Complainants believe that a mediation would result in a final settlement between the parties and that a settlement would be reached quickly on the remaining two issues. Petitioners renew their request for mediation or for a hearing before the Commission as initially requested in Complainants May 22<sup>nd</sup> letter.

With best regards, I am

Very truly yours,



Newman Jackson Smith

NJS:mam

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